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Mateusz van Wollen

## Getting the deal done

Earlier this year, MIH Allegro B.V., part of the Naspers group, made a public tender offer to acquire up to 100% of Warsaw-listed Polish financial portal Bankier.pl. ACQ's Charlotte Abbott talks to Mateusz van Wollen, CFA at Lasanoz Finance about their role on the deal and their ever growing reputation of getting deals done.

Mateusz van Wollen joined Lasanoz Finance ([www.lasanozfinance.com](http://www.lasanozfinance.com)) in 2005, with a focus on managing CEE sell-side mandates and buy-side projects in the TMT and media sectors, including broadcasting and e-commerce.

Lasanoz Finance offers specialized financial services in corporate finance and investment banking, serving national and multinational companies already operating in the Central and Eastern Europe or planning to enter the area.

Through Lasanoz Finance's network of experienced contacts, the firm provides a full set of professional services including accounting, audit, technical and legal services to close financial transactions conscientiously and efficiently.

### Punching above their weight

“Lasanoz Finance is a small firm, but we are populated by individuals that have originated from larger institutions, with experience on many multibillion dollar deals.

“Our focus is on complex M&A transactions and debt financing, where we compete against similar boutique firms, as well as the “Big Four” accounting companies and large banks’ M&A departments.”

Lasanoz Finance keeps competitive by placing emphasis on quality and seniority.

“Senior attention and time in the trenches are the keys to getting a transaction done.

“Big banks tend to use their partners to chase and fete the deals; it is the junior members of staff that do all the actual work. At Lasanoz Finance, however, we ensure a senior partner is on the deal from start to finish.

“This is what gives us the competitive edge that really allows us to go “head to head” with our larger competitors.

“We also differentiate ourselves in the deals that we do; only 50 % of our work originates from Poland. Lasanoz Finance is currently very active in the Balkan region. We have also closed transactions with Asian investors, such as last year’s EUR 480m financing of Play, the Polish mobile network operator, on which we acted as exclusive financial advisor to Play and its shareholders.

“We owe our success to our reputation. Our clients have come to expect only the highest quality from us. In some cases we have been chosen over the world’s largest investment banks by clients, which is indeed a great calling card for Lasanoz Finance.”

### Gadu-Gadu SA – the train that had left the station

In December 2007, Naspers acquired 100% of Warsaw-listed Gadu-Gadu SA through a public tender offering followed by a minority squeeze-out.

Through this investment, Naspers took control of the leading independent Instant Messenger in Central Europe, with over six million unique users.

“Naspers approached us in February to see if we could advise them in acquiring Gadu-Gadu. At the time, the company was only a week from completing its Initial Public Offering. In fact, the two co-CEOs were over an hour late for the first meeting with Naspers, as they were in the middle of their road show. The market was very hot at the time and the IPO was attracting intense institutional investor interest.

“For many, this deal had already left the station. Several

other parties—including another client of ours—had attempted to acquire the asset during the previous 24 months. The IPO was widely seen as the ultimate exit strategy of the majority shareholders.

“Still, we took up the challenge. We built a comprehensive financial model of the company, then scrutinized, validated and cross-checked it together with Naspers’ Internet experts. We then analyzed comparable listed companies and precedent transactions, such as the taking-private of Onet.pl by its majority owner in the previous year. This being Internet, and at the peak of a global bull market for equities to boot, it was a very full valuation!

“We sat down to negotiations with the majority owners, who held 55%, with the goal of obtaining a pre-commitment to the tender offer. Discussions of price were difficult, as Gadu-Gadu was growing at a clip of over 100% per year and its value was hard to pin down. To put that into context, the company’s revenues, profits and cash flows were increasing nearly 10% each month.”

After several months of negotiations, which had to be conducted under conditions of strict confidentiality, Lasanoz Finance succeeded in hammering out a deal and announcing a tender offer. The response was over 96%. After squeezing out the remaining minorities over the next few months, our client achieved the desired 100% interest in the company, taking Gadu-Gadu private once again.

“The Gadu-Gadu transaction not only marks one of our most complex transactions to date, it also marks one of our biggest achievements. We are very proud that we were the team that succeeded where others had failed.”

### Stalexport – the diamond in the rough

In June 2006, Autostrade S.p.A. entered the Polish toll-road market by acquiring an initial stake of 21.7% in Stalexport S.A.

Since 1963, Stalexport has been a leading player in the Polish steel industry. In 1997 the company was awarded a concession to operate the 61 km A4 Krakow- Katowice toll-road, valid through 2027.

“During the communist years, Stalexport had enjoyed cosy state support and monopolist status. In the 1989, when Poland became a free market economy, Stalexport suddenly discovered it had competition, which was something entirely new for management. A string of poor decisions led to declining market share and mushrooming debt. Successive changes in management and a major restructuring program had served to keep the company afloat, but the fundamental problems remained.

“Although Stalexport was in disarray, its motorway concession was still very profitable, and growing. Lasanoz Finance teamed up with another advisory firm to pitch this “diamond in the rough” to strategic Western European investors.

We were faced with numerous complexities linked to the company’s serious debt problems, government shareholding, and changing regulatory environment. We also advised our client on the subsequent spin-off of the steel distribution business as well as a number of real estate assets which our client viewed as non-core to the operations.”

All in all, the deal took two years. The buyer, the Italian motorway operator Atlantia, (formerly known as Autostrade), ultimately acquired a majority stake of over 56% in the company.

“This deal is one of our firm’s greatest achievements, as it facilitated the entry of a strategic foreign investor into

Poland through the bust-up of an historic conglomerate—a highly complex deal”.

### MIH Allegro B.V “banks” on it

In Poland, used car dealerships are largely absent and as a result most Poles sell their vehicles through online classifieds or shopping comparison sites such as Otomoto, owned by MIH Allegro B.V.

Allegro’s portfolio of shopping sites encompassed mostly consumer goods, such as household appliances, electronics and even cars, but lacked in financial products, such as car loans, mortgages and mutual funds.

The rationale behind MIH Allegro B.V’s acquisition of Bankier.pl was to create a “one stop shop allowing customers to source and finance products online from the same site.”

Lasanoz Finance acted as exclusive financial advisor to MIH Allegro B.V on the deal.

“Bankier.pl had been actively marketed for over a year by sell side advisors, but with little success. This was partly due to a challenging economic climate and the deteriorating financial performance of the company.

“Our team was retained by MIH Allegro in May, when it became apparent that the founding shareholder was tiring of the process and threatening to sell its stake to private equity, thereby removing any opportunity for a strategic player to acquire a majority position.

“We succeeded in just five weeks to perform a full valuation analysis of the opportunity, obtain a mandate from our client’s investment committee, organize a public tender offer together with our legal and securities co-advisors, and negotiate with the founding shareholder an irrevocable commitment to a transaction—thus beating out the competition. Our team of four was led by Alexander Neuber, Managing Partner, and included also Ewa Kacprzak-Olszewska, Director, and Aleksander Skołożynski, Manager.

“MIH Allegro was successful in acquiring over 83% of the shares outstanding through its 100% tender offer. We are quite proud of this accomplishment, as the transaction was carried out in a rising market environment.”

### 2008/ 2009

“Over the last 18 months, due to the current economic climate, we have been working with clients with significant debt problems, performing debt restructuring on their behalf.

“On the flip side we have also been advising clients that wish to acquire a target but lack the funding element. In these cases we help them secure acquisition finance.

“Increasingly often we are performing both roles in tandem, as many of the deals that are coming up have originated from distressed situations.

“On a positive note foreign direct investment flows have definitely come back to Poland.

“In the aftermath of the Lehman failure in 2008 when the global financial crisis was in full swing, investors repatriated capital at an unprecedented pace in an effort to reduce exposure to risk. At the moment we are seeing a lot of that money coming back.

“The results are already apparent: the Warsaw Stock Exchange Index has doubled from its lows in February. It helps that Poland is one of the few countries that didn’t enter into recession this year, reporting GDP growth of +1%.” **ACQ**



### DETAILS



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